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SUBJECT: Uruguay: A Strong Start for the Opposition Blanco Party

 $\P1$. (U) This telegram is sensitive but unclassified, and not for Internet distribution.

Summary

12. (U) While the results of UruguayQs June 28 internal elections largely conformed to expectations, a few surprises have emerged in the light of the full results. The ruling Frente Amplio (FA) coalition was clearly shaken by final numbers showing the Blanco Party had garnered 46 percent of the vote, or five percent more than the FA, with Blanco winner Luis Alberto Lacalle getting the most votes of all the candidates. Blanco turnout was higher than the FA in every one of Uruguay's 19 departments except Montevideo. With the ruling Frente Amplio (FA) coalition candidate Jose Mujica only managing to secure runner-up Danilo Astori as his running mate over a week after the Blanco winner Luis Alberto Lacalle completed his ticket with Jorge Larranga, the FA find themselves confronting an energized and confident opponent who appear to have seized the initiative. Although the snapshot nature of the primary election data precludes reliable longerterm forecasting, it nevertheless suggests the country may be in for a closely fought campaign. End Summary

Primary elections aftermath - as the fog lifts

- ¶3. (U) Initial reports suggested the incumbent Frente Amplio (FA) coalition and the opposition Blanco (National) party had attracted roughly the same number of votes during the June 28 internal elections. As the smoke cleared, however, it was revealed that votes for Blanco candidates represented 46 percent of the vote, a lead of almost 5 percentage points over the FAQs 41 percent share. The third-placed Colorado party attracted a respectable total of 11.9 percent.
- 14. (U) There were also some mild surprises in the geographical spread of the votes. The FA currently governs 8 of UruguayQs 19 electoral districts, including the two most important, Montevideo and Canelones. With the exception of Montevideo, not only did the Blanco support trump that of the FA in every one of these departments, but in Canelones, normally a bastion of FA support, the ruling coalition was relegated to the status of a distant runner up. The Blancos have also been buoyed by the news that the FA presidential candidate Jose QPepeQ Mujica attracted 50,000 less votes than the winning Blanco candidate, ex-president Luis Alberto Lacalle, a result further sweetened by the revelation that Mujica had only generated 20,000 more votes than second place Blanco candidate Jorge Larranaga.
- 15. (U) Whether these figures are in any way indicative of the candidates' chances in the October election, however, is uncertain. While some FA voters may have been disenchanted with the party, others may have failed to vote in the primary

because MujicaQs victory was a foregone conclusion. Blancos, meanwhile, may have been attracted by the relatively close struggle between Lacalle and Larranga, or may simply have been animated by the partyQs well organized rallying. No matter the reason, FA leaders will be determined to mobilize the coalition faithful to vote in October.

16. (SBU) The Blancos capitalized on this early boost. Lacalle and his running-mate Larranaga have already completed a 5-day, 17 locality national tour, and Mujica yet to begin his official campaign, so the differences have been clear.

FAQs start delayed by haggling over Vice-Presidential pick

17. (SBU) Aside from the enhanced turn-out, the springboard for much of the BlancosQ current momentum was provided by the announcement of Larranga as LacalleQs vice presidential candidate on election night (reftel). In contrast, the completion of MujicaQs electoral ticket was a much more protracted affair. Ex-economy minister Danilo Astori was long considered the only choice, but the final July 6 confirmation of his vice presidential candidacy came only after a series of intense and often fruitless negotiations that began immediately following AstoriQs rather graceless concession of defeat after the internal elections (reftel). Despite a slight bump in support (possibly owing to an anti-Mujica vote from stray Colorados), Astori finished 54,000 votes behind his rival. While it is widely assumed that Mujica needs AstoriQs more moderate profile and his connection to the popular outgoing president Tabere Vazquez, some commentators have speculated that Mujica had lost patience with AstoriQs preacceptance demands. In a blunt half-hour meeting between the

two men immediately prior to AstoriQs public nomination, Astori learned that his carefully honed stipulations of complete control over the economy and the power of veto in several ministries were not going to be granted. There is some speculation that AstoriQs subsequent grudging acquiescence was largely secured by a serious of phone calls from President Vazquez. It is also possible that Vazquez may have advised Mujica of AstoriQs consent before the meeting.

The Art of Post-Election Hugging

18. (SBU) The strained arrangements within the FA were on full display in the consequent joint press conference. Whereas Mujica insisted that running with Astori would be an honor, Astori glumly made reference to party loyalty. Having made the announcement, Mujica had to be called back by party president Jorge Brovetto in order to engage in the traditional photo-op hug with his new running mate. Both men set about the task with a level of enthusiasm more in keeping with an order to embrace a large, dead fish. 19. (SBU) In contrast, Lacalle and Larranga hardly seem able to hold themselves back from spontaneous outbreaks of manly backslapping bonhomie. Theirs is an embrace steeled by mutual dependence; the immediate political ambitions of both depend on the political capital of the other, a fact that, so far at least, seems to have mitigated their long standing rivalry. Larranaga will still need to mollify those amongst his close supporters whose consequent political profile may not be as high as it would have been had he won, but that should pose few problems. While it is still early, there are a few signs that the FA is rattled by the apparent vitality from the Blanco party; Mujica declared that the FA followers should take to the streets and mobilize themselves in order to rise to the BlancoQs challenge. 110. (SBU) On July 11, the FA candidates rolled out their renewed message of unity and purpose. Mujica and Astori, flanked by the coalition's Board, finally gave rousing, smiling speeches together, and this time they got the hugs

A Good Clean Fight?

right.

- 111. (U) The tightness of the race at this early stage indicates that Uruguay is in for a hard-fought campaign. Even before the internal elections had taken place, Lacalle had publically declared that potential investors are likely waiting until December -- following the November runoff election -- before deciding to do any business in Uruguay. That broadside was clearly designed to highlight the uncertainty many in the business sector feel towards Mujica. After Lacalle reiterated the statement this week, Mujica used his internet blog site to fire back the accusation that Lacalle had sabotaged the country. He also stated that investments not only need to be socially beneficial but also politically honest, adding that Qcompanies flee from countries governed by bribe takers, Q a barbed reference to a corruption scandal that had taken place at the state insurance company under LacalleQs administration.
- 112. (SBU) Seeking to avoid such memories, Lacalle has loftily declared that the campaign should focus on the future instead of dwelling on the past, an observation that Mujica (whose history as a QTupamaroQ Guerilla leader in the the 60Qs and 70Qs includes some murky chapters) may well appreciate. Lacalle then went on to question Mujica's call for changes in the Uruguayan constitution, pointedly asking if the FA intended to propose a constituent assembly process such as that favored by Venezuelan President Chavez.

Comment

113. (SBU) Much may change over the next four months, but there is little doubt that the Blancos have got off to an unexpectedly strong start that caught the FA off-guard. How long the Blancos can retain the initiative will soon be seen. Now that the FA electoral ticket has settled (albeit fractiously), the political fight will begin in earnest. End Comment.